

Comments and Responses on
ARC 2380C
Medicaid Employment Services Redesign
Received February 23, 2016

The Department received comments from Scott Witte, Director of Partnership & Service Development, Hope Haven Incorporated on the proposed rules.

The comments and corresponding responses from the Department are divided into three topic areas as follows: General Comments, Service Definitions, and Reimbursement Methodologies and Rates.

A. General Comments. *There were two comments in this topic area.*

COMMENT 1: The respondent commented in support of the rules generally, and highlighted several aspects of the amended rules they consider “positives”, including the alignment of DHS and IVRS and that the rates in these rules are built from a staff-cost model.

DEPARTMENT RESPONSE 1: Thank you for your advocacy for employment for all lowans.

COMMENT 2: The respondent noted a technical error in subparagraph **83.82(1)“p”(4)**, suggesting that the term “small group supported employment” should be “prevocational” in this item.

DEPARTMENT RESPONSE 2: The Department agreed with the respondent and changed “small group supported employment services” to “prevocational services” in the rule amendment as follows:

(4) Have documented in the waiver service plan that the choice to receive individual supported employment services was offered and explained in a manner sufficient to ensure informed choice, after which the choice to prevocational services was made.

B. Service Definitions. *There were two comments in this topic area.*

COMMENT 3: The respondent commented regarding specifics of the Career Exploration activity in prevocational service and asked if it could be allowed in small groups of up to four individuals, to allow agencies’ the latitude to provide all or part of this service with more highly qualified staff.

DEPARTMENT RESPONSE 3: The Career Exploration service is intended be delivered primarily one to one to assist the person in determining if they want to work

and where their employment interests lie in order to develop a career plan that will assist with employment service planning. Members could receive some Career Exploration activities in small groups of up to four (4) members, such as business tours, benefit information and financial literacy classes, or attending career fairs. Developing the member's actual Career Plan remains a one to one service.

The Department accepts this recommendation. Subparagraph **78.27(9)"a"(1)** will be amended as follows:

(1) Career exploration. Career exploration activities are designed to develop an individual career plan and facilitate the member's experientially based informed choice regarding the goal of individual employment. Career Exploration may be provided in small groups of no more than four members to participate in career exploration activities that include business tours, attending industry education events, benefit information, financial literacy classes, and attending career fairs. Career exploration may be authorized for up to 34 hours, to be completed over 90 days in the member's local community or nearby communities and may include but is not limited to the following activities:

COMMENT 4: The respondent asked that "Workplace Readiness Assessment" be added to the list of activities under Career Exploration.

DEPARTMENT RESPONSE 4: The Department does not support this recommendation. The Centers for Medicare and Medicaid Services (CMS) do not include this specific wording in their informational letter on employment services including prevocational and career planning at <https://www.medicaid.gov/federal-policy-guidance/downloads/CIB-09-16-2011.pdf>

In addition, Medicaid is prohibited from funding a service that is available under section 110 of the Rehabilitation Act of 1973 or the IDEA (20 U.S.C. 1401 et seq.). "Workplace Readiness Assessment" is a service funded routinely by IVRS up to 60 units (or 15 hours) currently at \$16.37/unit or \$65.48/hour.

C. Reimbursement Methodologies and Rates. *There were six (6) comments on this topic.*

COMMENT 5: Three of the respondent's comments requested more hours for non-billable activities (such as travel time) in the rate development model for Individual Supported Employment, Long Term Job Coaching, and job development. The comments point out an inequity that exists between rural and urban service providers regarding miles and travel time required to do the job in rural areas.

DEPARTMENT RESPONSE 5: The Department does not support this recommendation. The new rate structure allows billing of time "on behalf of" the client,

and the model from which the rates were built does include the non-billable activities at the levels the Workgroup members agreed upon. Providers located in urban areas could argue that they have inequities not experienced by rural providers, such as a greater pool of job candidates competing against their job seekers, and greater time spent in metro traffic. The model used by the department results in a budget-neutral proposal as required by law.

COMMENT 6: The respondent requested additional time be factored into the rate model for non-billable job development, to allow more time for recruiting and educating Iowa employers regarding integrated community employment.

DEPARTMENT RESPONSE 6: The Department does not support this recommendation. The new rate structure allows billing of time "on behalf of" the client, and the model from which the rates were built includes the non-billable activities at the levels the Workgroup members agreed upon. The model used by the department results in a budget-neutral proposal as required by law.

COMMENT 7: The respondent commented about the lowest tier of long term job coaching (LTJC) which is labeled "Tier 1 = 1 contact/month" with a proposed reimbursement of \$67; the comment is that actual utilization could involve multiple contacts or up to 2 hours.

DEPARTMENT RESPONSE 7: The Department does not support this recommendation. The lowest reimbursement tier for long term job coaching (LTJC) provides a flexible range for providers to bill within; the rate pays providers for any/all contacts within the 1-contact up to 1.5 hours range. The tiers were arrived at based on a full year of utilization data and national recommendations, in addition to Workgroup recommendations. The Workgroup recommendation was for a rate for maintaining periodic contact, that some of them have been doing without reimbursement for years. The rate arrived at (LTJC hourly rate x1.5) was deemed appropriate.

COMMENT 8: The respondent commented that group employment should be more incentivized as a stepping stone between the workshop and individual supported employment, and suggested the rates need to incentivize it more heavily over facility based services. The suggestion was made to alter the Group Supported Employment tiers and rates to:

- Tier 1, groups of 2-3 persons, \$14.80/hour x3 and pay as \$44.40 per group
- Tier 2, groups of 4-6 persons, \$7.25/hour x6 and pay as \$43.50 per group
- Tier 3, groups of 7-8 persons, \$5.31/hour x8 and pay as \$42.48 per group.

DEPARTMENT RESPONSE 8: The Department does not support this recommendation. Under **ARC 2114C**, the Department proposed to change Group Employment to a tiered rate structure due to comments received as follows:

Tier 1, groups of 2-4, \$11.24/hour/person (\$22.48-\$44.96/hour)
Tier 2, groups of 5-6, \$7.00/hour/person (\$35.00-\$42.00/hour)
Tier 3, groups of 7-8, \$5.00/hour/person (\$35.00-\$40.00/hour).

It appears that these tiers and rates are sufficient to set them apart from facility based services, and to incentivize the use of smaller groups without creating too great a variance between the different group sizes. In addition, services are authorized and reimbursed on an individual-member basis; the Department does not have a mechanism to pay “per group” for employment services.